



BAC 7710-FW-P

POSTAL REGULATORY COMMISSION

39 CFR part 3050

[Docket No. RM2018-1; Order No. 4142]

Data Enhancements and Reporting Requirements for Flats

AGENCY: Postal Regulatory Commission.

ACTION: Advance Notice of proposed rulemaking.

SUMMARY: The Commission is initiating a proceeding to explore enhancements to the Postal Service's data systems and to facilitate the development of consistent reporting requirements. This document informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* December 4, 2017.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

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I. Introduction

The Commission initiates this proceeding to explore potential enhancements to the Postal Service's data systems and to facilitate the development of consistent reporting requirements. These data enhancements and reporting requirements will be used to measure, track, and report the cost and service performance issues concerning flat-shaped mailpieces (flats).

II. Background

In the FY 2015 ACD, the Commission identified and analyzed six "pinch points" that contribute to cost and service issues for flats:¹

- Bundle processing
- Low productivity on automated equipment
- Manual sorting
- Productivity and service issues in allied operations
- Increased transportation time and cost
- Last mile/delivery

Using data available at the time, the Commission identified and discussed flats cost and/or service issues for each individual pinch point. See FY 2015 ACD at 165-180. However, the Commission acknowledged that there was a

¹ Docket No. ACR2015, Annual Compliance Determination Report, Fiscal Year 2015, March 28, 2016, at 165 (FY 2015 ACD).

“lack of comprehensive data” which prevents the Postal Service and the Commission from measuring the impact of specific initiatives designed to improve cost and service issues for flats. *Id.* at 180.

The Commission directed the Postal Service to identify a method to measure, track, and report the cost and service performance issues relating to each individual pinch point identified by the Commission at the most granular level practicable. *Id.* at 181. To increase transparency, the Commission requested certain information in support of the identified method: available data to support methods to measure, track and report on cost and service issues related to flats, information on the cost to produce and aggregate current data, additional data that would be needed to support a method to measure, track and report on cost and service issues related to flats and the cost to produce that data, and the identification of information necessary to develop, implement, monitor, and quantify results for a comprehensive plan to improve flats service performance and cost coverage if an ideal data system were available. *Id.*

The Postal Service responded to the Commission’s Chapter 6 directive on July 26, 2016.² The Postal Service provided an extensive discussion of data systems that could be used to measure certain aspects of individual pinch points; however, it did not provide a specific method for each pinch point to measure,

² Docket No. ACR2015, Third Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2015 Annual Compliance Determination, Report Regarding Information about Flats Data Systems, July 26, 2016 (120-Day Response).

track, and report on cost and service issues related to flats. To redirect the Postal Service's response, the Commission issued Commission Information Request No. 1.³ In Order No. 3539, the Commission scheduled an off-the-record technical conference on October 21, 2016, to determine the status of the Postal Service's proposed methods as requested in the original Commission Directive.⁴ The Postal Service filed its response to CIR No. 1 on November 28, 2016.⁵ In both its 120-Day Response and in its Response to CIR No. 1, the Postal Service provided general information related to all pinch points, and information specific to each individual pinch point. The Postal Service's responses were informative; however, the Commission found that neither response addressed the Commission's original and main request to develop a method to measure, track, and report the cost and service performance issues relating to the individual pinch points.⁶ The Postal Service stated that the information it provided is "the first step in an evolutionary process to develop a set of data reports that the Commission and the Postal Service can agree add value to the question of how best to track and report on metrics that will ultimately lead to improvements in the service and efficiency of flats processing." Response to CIR No. 1 at 3.

³ Docket No. ACR2015, Commission Information Request No. 1, September 27, 2016 (CIR No. 1).

⁴ See Docket No. ACR2015, Order Scheduling Technical Conference, September 27, 2016 (Order No. 3539).

⁵ Docket No. ACR2015, Response of the United States Postal Service to Commission Information Request No. 1, November 28, 2016 (Response to CIR No. 1).

⁶ Docket No. ACR2016, Annual Compliance Determination Report, March 28, 2017, at 170.

III. Next Steps

Although the Postal Service discussed its data systems and proposed metrics for certain pinch points, the Postal Service did not explain how it will use this information to report on issues relating to flats. The Commission finds that measuring various cost and service impacts associated with flats will provide greater insight into the issues. Tracking these issues over time will assist the Commission and the Postal Service with developing solutions to reduce cost and improve service performance of flats. Reporting on these measures and tracking will enhance the transparency and ability of stakeholders with vested interests to participate in the development of a plan to improve flats cost and service issues.

At this stage in the docket, and given the information already provided by the Postal Service, the Commission seeks to better understand the data collected by the Postal Service and the capabilities of the systems that collect that data. In the information request filed along with this Order, the Commission requests that the Postal Service provide additional information about certain data systems and reports. The information request seeks, among other things, information about the capabilities of the data systems, information about planned improvements to the data systems, and ideas as to how certain data systems could be used to measure the impact on flats costs and service performance issues. The Commission also requests certain summary data reports that are available from the various data systems. Responses to the information request should be submitted no later than 60 days from the date of this Order. If the

Postal Service identifies any other data or information that would be helpful to the goal of measuring cost and service impacts on flats, the Postal Service should also submit it with the requested information.

Once the information is received and analyzed, the Commission intends to schedule a technical conference to review the data submitted by the Postal Service and to better understand the capabilities of the Postal Service's systems. As explained above, the Commission intends to use information provided by the Postal Service in this proceeding to develop a detailed proposal of data enhancements and reporting requirements for consideration in this docket. The Commission will invite public comment on the detailed proposal before adopting any final rule. The Commission anticipates that this information will lead to the development of measureable goals to decrease the costs and improve the service performance of flats.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. RM2018-1 to explore data enhancements and to facilitate the development of consistent reporting requirements that will be used to evaluate the cost and service performance issues associated with flats.

2. Responses to the Commission Information Request No. 1, in this docket, should be provided 60 days from the date of this Order.

3. Pursuant to 39 U.S.C. 505, the Commission appoints Katalin K. Clendenin to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

4. The Secretary shall arrange for publication of this order in the *Federal Register*.

By the Commission.

Stacy L. Ruble,

Secretary.

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